

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

	October-08				September-08				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Quarter		Fiscal YTD	FY08	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
LA Capital	1,016,909	2.5%	2.8%	-16.72%	1,198,905	2.6%	2.8%	-13.15%	-27.67%	-6.96%	8.22%	N/A
Total Structured Growth	1,016,909	2.5%	2.8%	-16.72%	1,198,905	2.6%	2.8%	-13.15%	-27.67%	-6.96%	8.22%	10.32%
Russell 1000 Growth				-17.61%				-12.33%	-27.76%	-5.96%	5.91%	7.32%
Structured Value												
LSV	924,875	2.2%	2.8%	-20.37%	1,140,066	2.5%	2.8%	-6.27%	-25.36%	-22.29%	3.56%	11.19%
Russell 1000 Value				-17.31%				-6.11%	-22.37%	-18.78%	3.53%	8.92%
Enhanced Russell 1000 Index												
LA Capital	860,358	2.1%	2.3%	-15.79%	1,015,965	2.2%	2.3%	-9.44%	-23.74%	-10.70%	6.55%	9.03%
Russell 1000				-17.46%				-9.35%	-25.18%	-12.36%	4.81%	8.22%
Enhanced S&P 500 Index												
Northern Trust	400,692	1.0%	1.2%	-18.02%	480,001	1.0%	1.2%	-6.80%	-23.60%	-15.84%	3.14%	6.72%
Westridge	899,513	2.2%	2.6%	-16.71%	1,059,980	2.3%	2.6%	-8.06%	-23.42%	-12.25%	4.94%	8.02%
Wells Capital	195,955	0.5%	1.8%	-36.09%	691,721	1.5%	1.8%	-24.53%	-51.77%	-31.59%	N/A	N/A
European Credit Management	288,624	0.7%	1.2%	-35.90%	442,174	1.0%	1.2%	-21.07%	-49.40%	N/A	N/A	N/A
Prudential	309,466	0.7%	1.3%	-36.10%	475,611	1.0%	1.3%	-25.46%	-52.37%	N/A	N/A	N/A
Franklin	406,443	1.0%	1.2%	-16.47%	477,270	1.0%	1.2%	-12.12%	-26.59%	-13.65%	N/A	N/A
Total Enhanced S&P 500 Index	2,500,692	6.1%	9.3%	-25.43%	3,626,757	7.8%	9.3%	-16.16%	-37.48%	-18.66%	2.40%	6.45%
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.58%
Absolute Return Strategy												
Epoch	660,215	1.6%	1.4%	-11.41%	526,121	1.1%	1.4%	-12.66%	-22.63%	-6.84%	N/A	N/A
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%		
S&P 500 Index												
State Street	369,945	0.9%	1.4%	-17.05%	569,374	1.2%	1.4%	-11.64%	-26.70%	-18.23%	2.99%	6.70%
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.58%
Asset Allocation Overlay												
Clifton (notional exposure \$565,472)	3,660	0.0%	0.0%	N/A								
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.58%
TOTAL LARGE CAP DOMESTIC EQUITY	6,336,654	15.3%	20.0%	-20.71%	8,077,189	17.4%	20.0%	-13.07%	-31.07%	-16.11%	4.22%	8.17%
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.58%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	2,837,241	6.9%	8.6%	-22.59%	3,925,121	8.5%	8.6%	-1.30%	-23.60%	-22.41%	1.06%	8.52%
Russell 2000 + 200bp				-20.64%				-0.61%	-21.12%	-14.48%	5.88%	12.50%
Callan	1,209,037	2.9%	3.4%	-22.44%	1,555,980	3.4%	3.4%	-7.13%	-27.97%	-15.44%	N/A	N/A
Russell 2000				-20.80%				-1.11%	-21.68%	-16.19%		
Asset Allocation Overlay												
Clifton (notional exposure \$968,370)	17,805	0.0%	0.0%	N/A								
Russell 2000				-20.80%				-1.11%	-21.68%	-16.19%	3.79%	10.29%
TOTAL SMALL CAP DOMESTIC EQUITY	4,064,083	9.8%	12.0%	-22.55%	5,481,101	11.8%	12.0%	-2.98%	-24.85%	-20.36%	2.11%	9.20%
Russell 2000				-20.80%				-1.11%	-21.68%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
Large Cap - Core												
State Street	325,109	0.8%	1.1%	-22.32%	418,186	0.9%	1.1%	-21.95%	-39.38%	-13.11%	12.40%	14.27%
MSCI EAFE (1)				-20.18%				-20.56%	-36.59%	-10.61%	12.84%	14.86%
Large Cap - Active												
Capital Guardian	1,085,526	2.6%	3.3%	-19.00%	1,345,762	2.9%	3.3%	-18.64%	-34.10%	-13.89%	11.58%	14.15%
LSV	1,018,949	2.5%	3.3%	-20.12%	1,274,258	2.7%	3.3%	-17.25%	-33.90%	-23.98%	8.07%	N/A
Total Large Cap - Active	2,104,475	5.1%	7.7%	-19.55%	2,620,020	5.6%	7.7%	-17.97%	-34.01%	-20.05%	9.04%	13.03%
MSCI EAFE - 50% Hedged				-17.28%				-16.79%	-31.17%	-15.14%	10.93%	14.67%
Small Cap - Active												
DFA	324,989	0.8%	1.1%	-21.76%	415,397	0.9%	1.1%	-20.80%	-38.03%	N/A	N/A	N/A
Wellington	313,239	0.8%	1.1%	-21.99%	401,112	0.9%	1.1%	-25.78%	-42.10%	-15.19%	9.83%	16.11%
Total Small Cap - Active	638,228	1.5%	2.2%	-21.87%	816,510	1.8%	2.2%	-23.33%	-40.10%	-15.60%	9.53%	16.89%
S&P/Citigroup BMI EPAC < \$2BN				-23.80%				-23.50%	-41.71%	-19.12%	10.36%	19.26%
Asset Allocation Overlay												
Clifton (notional exposure \$)	-	0.0%	0.0%	N/A								
MSCI EAFE												
TOTAL INTERNATIONAL EQUITY	3,067,811	7.4%	11.0%	-20.34%	3,854,716	8.3%	11.0%	-19.61%	-35.96%	-18.47%	9.51%	13.93%
MSCI EAFE - 50% Hedged				-17.28%				-16.79%	-31.17%	-15.14%	10.93%	14.67%
EMERGING MARKETS EQUITY												
Core												
JP Morgan	92,881	0.2%	0.3%	-25.95%	125,310	0.3%	0.3%	-22.87%	-42.88%	3.57%	N/A	N/A
PanAgora	86,497	0.2%	0.3%	-28.82%	121,417	0.3%	0.3%	-27.52%	-48.41%	7.21%	N/A	N/A
WestLB	90,364	0.2%	0.3%	-27.69%	124,603	0.3%	0.3%	-28.00%	-47.93%	11.12%	N/A	N/A
UBS	116,369	0.3%	0.3%	-29.36%	165,162	0.4%	0.4%	-27.00%	-48.44%	5.82%	N/A	N/A
Total Core	386,111	0.9%	1.4%	-28.05%	536,492	1.2%	1.4%	-26.44%	-47.08%	6.87%	27.76%	29.00%
MSCI Emerging Markets				-27.35%				-26.86%	-46.86%	4.89%	27.52%	22.84%

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

	October-08				September-08				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Quarter		Fiscal YTD	FY08	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
Small Cap												
DFA	88,388	0.2%	0.4%	-30.34%	126,891	0.3%	0.4%	-24.25%	-47.23%	-13.68%	N/A	N/A
MSCI Emerging Markets				-27.35%				-26.86%	-46.86%	4.89%		
Private Equity												
Capital International	73,057	0.2%	0.2%	0.00%	73,057	0.2%	0.2%	6.52%	6.52%	N/A	N/A	N/A
MSCI Emerging Markets				-27.35%				-26.86%	-46.86%	0.00%	0.00%	0.00%
Infrastructure												
JP Morgan	34,571	0.1%	0.1%	0.00%	36,106	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	582,126	1.4%	2.0%	-24.46%	772,547	1.7%	2.0%	-23.25%	-42.03%	2.99%	27.07%	28.58%
MSCI Emerging Markets				-27.35%				-26.86%	-46.86%	4.89%	27.52%	30.15%
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	856,362	2.1%	1.8%	-7.59%	1,106,784	2.4%	2.1%	-6.30%	-13.41%	-0.30%	1.78%	2.90%
Lehman Aggregate				-2.36%				-0.49%	-2.84%	7.12%	4.09%	3.86%
Index												
Bank of ND	1,473,701	3.6%	2.4%	-2.29%	1,668,645	3.6%	3.0%	-1.64%	-3.90%	7.70%	3.93%	3.57%
Total Index	1,473,701	3.6%	2.4%	-2.29%	1,668,645	3.6%	3.0%	-1.64%	-3.90%	7.70%	4.17%	3.91%
Lehman Gov/Credit				-2.51%				-1.64%	-4.10%	7.24%	3.84%	3.58%
Enhanced												
Westridge	1,108,888	2.7%	1.9%	6.42%	1,110,334	2.4%	1.9%	2.75%	9.35%	N/A	N/A	N/A
Lehman Aggregate				-2.36%				-0.49%	-2.84%			
Convertibles												
Calamos (2)	838,460	2.0%	1.8%	-15.88%	1,104,209	2.4%	2.1%	-11.09%	-25.21%	-2.86%	N/A	N/A
Total Convertibles	838,460	2.0%	1.8%	-15.88%	1,104,209	2.4%	2.1%	-11.09%	-25.21%	-2.86%	4.55%	2.71%
Merrill Lynch All Convertibles (3)				-17.99%				-17.56%	-32.39%	-6.36%	5.72%	6.36%
BBB Average Quality												
Wells Capital	1,103,612	2.7%	1.8%	-8.24%	1,209,370	2.6%	2.1%	-3.78%	-11.71%	3.70%	3.26%	4.56%
Lehman BBB				-10.95%				-4.85%	-15.26%	2.62%	2.52%	3.44%
Senior Debt												
PIMCO	615,700	1.5%	1.5%	0.00%	404,837	0.9%	0.9%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				-2.36%				-0.49%	-2.84%	7.12%		
Private Debt												
Prudential	1,089,874	2.6%	1.8%	-2.21%	1,169,164	2.5%	2.1%	-1.79%	-3.96%	3.32%	3.41%	N/A
Lehman Aggregate				-2.36%				-0.49%	-2.84%	7.12%		
Timberland												
TIR - Teredo (4)	1,475,415	3.6%	3.6%	-0.38%	1,489,088	3.2%	3.2%	-0.14%	-0.51%	22.02%	15.15%	14.07%
TIR - Springbank	3,255,680	7.9%	7.9%	-0.26%	3,275,522	7.1%	7.1%	-0.43%	-0.69%	15.25%	18.41%	N/A
Total Timberland	4,731,096	11.5%	11.5%	-0.30%	4,764,610	10.3%	10.3%	-0.34%	-0.64%	17.50%	17.86%	21.14%
NCREIF Timberland Index				0.33%				0.99%	1.32%	19.96%	17.12%	14.70%
Infrastructure												
JP Morgan	2,369,468	5.7%	5.7%	-0.13%	2,379,669	5.1%	5.1%	3.31%	3.17%	13.28%	N/A	N/A
Asset Allocation Overlay												
Clifton (notional exposure \$-2,005,838)	1,164	0.0%	0.0%	N/A								
Lehman Aggregate												
TOTAL DOMESTIC FIXED INCOME	14,188,324	34.4%	29.0%	-2.48%	14,917,622	32.2%	29.0%	-1.50%	-3.93%	9.02%	8.15%	9.65%
Lehman Aggregate				-2.36%				-0.49%	-2.84%	7.12%	4.09%	3.86%
HIGH YIELD BONDS												
Core												
Loomis Sayles	1,042,657	2.5%	2.0%	-17.44%	1,248,618	2.7%	2.3%	-12.73%	-27.95%	-1.43%	5.39%	N/A
Sutter/Wells Capital	806,772	2.0%	2.0%	-36.09%	1,241,003	2.7%	2.3%	-6.97%	-40.55%	-6.12%	2.58%	N/A
Total Core	1,849,429	4.5%	4.0%	-26.74%	2,489,621	5.4%	4.5%	-10.04%	-34.09%	-3.71%	4.01%	4.88%
LB High Yield 2% Issuer Contstrained Index				-16.09%				-8.56%	-23.27%	-1.75%	4.48%	N/A
Mezzanine Debt												
Goldman Sachs 2006 Fund	80,431	0.2%	0.2%	0.00%	80,431	0.2%	0.2%	-6.02%	-6.02%	-3.89%	N/A	N/A
Goldman Sachs Fund V	127,225	0.3%	0.3%	0.00%	127,225	0.3%	0.3%	2.67%	2.67%	N/A	N/A	N/A
TCW	299,463	0.7%	0.7%	1.24%	224,262	0.5%	0.5%	2.02%	3.28%	7.26%	N/A	N/A
Total Mezzanine Debt	507,119	1.2%	1.2%	0.64%	431,918	0.9%	0.9%	0.60%	1.25%	0.49%	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				-16.09%				-8.56%	-23.27%	-1.75%		
Distressed Mortgages												
PIMCO	239,635	0.6%	0.6%	-8.78%	201,399	0.4%	0.4%	0.96%	-7.90%	N/A	N/A	N/A
Declaration Management	69,158	0.2%	0.2%	-2.40%	49,350	0.1%	0.1%	-3.65%	-5.96%	N/A	N/A	N/A
Total Distressed Mortgages	308,793	0.7%	0.7%	-5.52%	250,749	0.5%	0.5%	0.02%	-7.51%	N/A	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				-16.09%				-8.56%	-23.27%			
TOTAL HIGH YIELD BONDS	2,665,341	6.5%	6.0%	-21.49%	3,172,288	6.8%	6.0%	-7.92%	-27.71%	-4.27%	3.82%	6.32%
LB High Yield 2% Issuer Contstrained Index				-16.09%				-8.56%	-23.27%	-1.75%	4.48%	6.88%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	2,125,913	5.1%	4.8%	-3.30%	2,197,946	4.7%	4.8%	-4.51%	-7.66%	17.24%	5.56%	6.49%
Citigroup Non-US Gov't Bond Index (5)				-2.54%				-4.25%	-6.69%	18.73%	6.63%	7.04%

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

	October-08				September-08				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Quarter		Fiscal YTD	FY08	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
International Core												
Brandywine	2,055,713	5.0%	4.8%	-10.40%	2,293,854	4.9%	4.8%	-5.68%	-15.49%	10.78%	7.06%	8.51%
Lehman Global Aggregate (ex-US)				-4.42%				-5.90%	-10.06%	16.53%	7.88%	7.38%
TOTAL INTERNATIONAL FIXED INCOME	4,181,626	10.1%	9.5%	-6.93%	4,491,799	9.7%	9.5%	-5.11%	-11.69%	13.90%	6.31%	7.50%
Citigroup Non-US Gov't Bond Index (5)				-2.54%				-4.25%	-6.69%	18.73%	6.66%	7.06%
REAL ESTATE												
INVESCO - Core	2,251,568			-0.03%	2,265,734			0.63%	0.59%	8.27%	N/A	N/A
INVESCO - Fund II	159,291			-24.68%	43,455			-1.85%	-26.08%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	2,068,077			-0.03%	2,091,559			-1.95%	-1.98%	5.69%	15.27%	15.26%
J.P. Morgan Alternative Property Fund	542,616			-4.90%	571,436			-0.60%	-5.48%	4.59%	N/A	N/A
J.P. Morgan Greater China Property Fund	61,740			0.00%	61,740			-5.24%	-5.24%	N/A	N/A	N/A
TOTAL REAL ESTATE	5,083,292	12.3%	9.5%	-0.80%	5,033,925	10.8%	9.5%	-0.72%	-1.51%	6.31%	15.27%	15.26%
NCREIF TOTAL INDEX				-0.06%				-0.17%	-0.23%	9.20%	14.82%	14.63%
ALTERNATIVE INVESTMENTS												
Coral Partners V	12,741			0.00%	12,818			0.00%	0.00%	9.09%	5.22%	-8.23%
Coral Partners V - Supplemental	1,500			0.00%	1,497			10.51%	10.51%	-6.34%	3.94%	6.41%
Coral Momentum Fund (Formerly Fund VI)	24,576			0.00%	24,576			-4.97%	-4.97%	13.96%	-3.63%	-7.09%
Brinson 1998 Partnership Fund	1,463			0.00%	1,463			-3.84%	-3.84%	6.92%	17.74%	16.40%
Brinson 1999 Partnership Fund	4,495			0.00%	4,495			-2.15%	-2.15%	13.32%	15.81%	14.25%
Brinson 2000 Partnership Fund	14,321			0.00%	14,321			-10.02%	-10.02%	21.82%	21.03%	17.78%
Brinson 2001 Partnership Fund	12,827			0.00%	12,827			-1.08%	-1.08%	2.23%	12.37%	9.49%
Brinson 2002 Partnership Fund	6,316			0.00%	6,316			-5.82%	-5.82%	3.20%	14.93%	10.72%
Brinson 2003 Partnership Fund	2,473			0.00%	2,473			2.40%	2.40%	-6.42%	16.42%	8.89%
Total Brinson Partnership Funds	41,893			0.00%	41,893			-4.98%	-4.98%	13.85%	17.75%	14.80%
Brinson 1999 Non-US Partnership Fund	1,990			0.00%	2,156			-1.11%	-1.11%	-9.78%	38.86%	33.76%
Brinson 2000 Non-US Partnership Fund	4,447			0.00%	4,801			-3.21%	-3.21%	27.03%	38.56%	28.82%
Brinson 2001 Non-US Partnership Fund	3,284			0.00%	3,284			-8.05%	-8.05%	13.44%	15.89%	14.66%
Brinson 2002 Non-US Partnership Fund	8,085			0.00%	8,597			-5.05%	-5.05%	14.08%	43.86%	31.81%
Brinson 2003 Non-US Partnership Fund	7,389			0.00%	7,389			3.32%	3.32%	24.92%	42.47%	23.29%
Brinson 2004 Non-US Partnership Fund	3,565			0.00%	3,565			-4.17%	-4.17%	29.16%	25.88%	N/A
Total Brinson Non-US Partnership Fund	28,760			0.00%	29,792			-2.76%	-2.76%	18.83%	37.12%	28.34%
Adams Street 2008 Non-US Partnership Fd	728			0.00%	728			-3.86%	-3.86%	N/A	N/A	N/A
Brinson BVCF IV	23,086			0.00%	23,086			7.08%	7.08%	-1.94%	7.62%	9.88%
Adams Street Direct Co-investment Fund	25,396			0.00%	25,396			-3.78%	-3.78%	4.06%	N/A	N/A
Matlin Patterson Global Opportunities	8,561			0.00%	8,561			-27.00%	-27.00%	-29.56%	-11.62%	9.60%
Matlin Patterson Global Opportunities II	44,513			0.00%	44,513			-10.56%	-10.56%	-5.55%	8.69%	N/A
Matlin Patterson Global Opportunities III	24,927			0.00%	24,927			1.13%	1.13%	-20.02%	N/A	N/A
InvestAmerica	11,189			0.00%	11,189			0.00%	0.00%	27.36%	13.22%	1.67%
Hearthstone MSII	0			0.00%	0			-100.00%	-100.00%	-62.01%	-100.00%	-100.00%
Hearthstone MSIII	1,472			0.00%	1,472			-33.76%	-33.76%	-10.75%	63.82%	N/A
Corsair III	14,010			0.00%	19,586			-6.63%	-6.63%	64.04%	N/A	N/A
Corsair III - ND Investors LLC	14,967			0.00%	14,967			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	2,483			0.00%	355			-91.16%	-91.16%	-52.44%	N/A	N/A
Quantum Energy Partners	5,821			0.00%	4,400			-0.52%	-0.52%	-3.17%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	286,626	0.7%	1.0%	0.00%	289,758	0.6%	1.0%	-5.93%	-5.93%	4.50%	10.73%	10.47%
CASH EQUIVALENTS												
Northern Trust STIF	503,058			0.14%	117,389			0.49%	0.63%	0.70%	3.40%	2.76%
Bank of ND	341,133			0.13%	191,005			N/A	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	844,192	2.0%	0.0%	0.13%	308,394	0.7%	0.0%	0.48%	0.62%	0.70%	3.61%	3.40%
90 Day T-Bill				0.11%				0.63%	0.74%	3.63%	4.27%	3.18%
TOTAL FUND	41,300,075	100.0%	100.0%	-11.39%	46,399,338	100.0%	100.0%	-6.74%	-17.35%	-3.82%	7.09%	9.93%
POLICY TARGET BENCHMARK				-10.19%				-5.37%	-15.02%	-2.58%	5.45%	7.28%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.